

§ 600.411

(i) Recipients shall keep audit reports on file for three years from their issuance.

[50 FR 42357, Oct. 18, 1985, as amended at 51 FR 4297, Feb. 4, 1986]

§ 600.411 Audit resolution.

(a) As provided in § 600.308, the cognizant agency shall be responsible for monitoring the resolution of audit findings pertaining to DOE recipients that affect the programs of DOE and one or other more Federal agency(ies). If DOE is cognizant, a cognizant DOE Contracting Officer, as determined by the dollar value of awards with the recipient, will assume this responsibility for the Department. Resolution of findings that relate to the programs of DOE only will be the responsibility of the recipient and DOE. Alternate arrangements may be made on a case-by-case basis by agreement among the agencies concerned.

(b) Resolution shall be made within six months after receipt of the report by the Federal departments and agencies. Corrective action should proceed as rapidly as possible.

§ 600.412 Audit workpapers and reports.

Workpapers and reports shall be retained for a minimum of three years from the date of the audit report, unless the auditor is notified in writing by the cognizant agency to extend the retention period. Audit workpapers shall be made available upon request to the cognizant agency or its designee or the General Accounting Office, at the completion of the audit.

§ 600.413 Audit costs.

(a) The cost of audits made in accordance with the provisions of this subpart are allowable charges to DOE and other Federal assistance programs. The charges may be considered a direct cost or an allocated indirect cost, determined in accordance with the provisions of Circular A-87, "Cost principles for State and local governments," as appropriate.

(b) Generally, the percentage of costs charged to Federal assistance programs for a single audit shall not exceed the percentage that Federal funds expended represent of total funds ex-

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pendent by the recipient during the fiscal year. The percentage may be exceeded, however, if appropriate documentation demonstrates higher actual cost.

§ 600.414 Sanctions.

(a) The Single Audit Act provides that no cost may be charged to Federal assistance programs for audits required by the Act that are not made in accordance with this subpart.

(b) In cases of continued inability or unwillingness to have a proper audit, DOE shall consider appropriate sanctions, including those specified in §§ 600.162 and 600.243 of this part and the following:

(1) Withholding a percentage of assistance payments until the audit is completed satisfactorily,

(2) Withholding or disallowing overhead costs, and

(3) Suspending the Federal assistance agreement until the audit is made.

[50 FR 42357, Oct. 18, 1985, as amended at 59 FR 53266, Oct. 21, 1994]

§ 600.415 Auditor selection.

In arranging for audit services State and local governments shall follow the procurement standards prescribed by § 600.236 of subpart C. The standards provide that while recipients are encouraged to enter into intergovernmental agreements for audit and other services, analysis should be made to determine whether it would be more economical to purchase the services from private firms. In instances where use of such intergovernmental agreements are required by State statutes (e.g., audit services) these statutes will take precedence.

[50 FR 42357, Oct. 18, 1985; 51 FR 4297, Feb. 4, 1986, as amended at 54 FR 23960, June 5, 1989; 61 FR 7166, Feb. 26, 1996]

§ 600.416 Small and minority audit firms.

Small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in contracts awarded to fulfill the requirements of this subpart. Recipients